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Rural Development

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Help for Cooperatives



From USDA Rural Development



Let us help your co-op serve your community better. We offer a number of financial opportunities to assist rural businesses, cooperatives, and agricultural producers.

Except for Value Added Producer Grants, assistance under these programs is available to applicants in areas designated as “rural.” Under law, the definition of “rural area” is different for each program.

Rural Cooperative Development Grants

These grants help Cooperative Development Centers promote rural business ventures. Participating centers can assist in starting, expanding, or improving the operations of rural cooperatives and other mutually owned businesses. Using these grants, participants can conduct feasibility studies, develop business plans, provide training, and facilitate strategic planning.

Grants are awarded competitively. Centers can be located in any area, but the individuals and businesses assisted must be in an eligible rural area. Participants must provide matching funds for 25 percent of the total project cost.

Socially-Disadvantaged Groups Grants

We provide funds to cooperatives and Cooperative Development Centers enabling them to offer technical assistance to socially disadvantaged groups.

Examples of technical assistance include feasibility studies, business plans, strategic planning, and leadership training.

Value Added Producer Grants

Get more revenue from your raw agricultural products by processing or marketing them.

Funds can be used for planning activities or for working capital expenses related to producing and marketing a value-added agricultural product.

This assistance is available to:

- Independent producers;
- Agricultural producer groups;
- Farmer or rancher cooperatives; and
- Majority-controlled producer-based business.

Participants must obtain matching funds for half the total costs of their project.



Business and Industry (B&I) Loan Guarantees

This program provides financial backing for rural businesses. Commercial loan guarantees are available for up to 80 percent of the loan amount. Applicants work with private-sector lenders. USDA Rural Development provides a guarantee for the loan.

Who may apply?

- For-profit businesses;
- Nonprofits and cooperatives;
- Federally Recognized Tribes;
- Public bodies;
- Individuals.

How can we use the funds?

- Convert an existing business to an employee-owned worker cooperative;
- Convert, enlarge, repair, modernize, or develop a business;
- Purchase and develop land, easements, rights-of-way, buildings, or facilities;
- Purchase equipment, machinery, supplies, or inventory;
- Refinance when new jobs will be created and other conditions are met;
- Acquire businesses and industries when the loan will keep the business from closing and/or save or create jobs.

The borrower's headquarters may be based within a larger city as long as the project is located in an eligible rural area.





Other Support for Cooperatives

USDA Rural Development helps rural residents form new cooperatives and improve the operations of existing ones through education, technical assistance, research, data collection, and analysis. We are the Nation's major source for information about co-ops. We publish "Rural Cooperatives" magazine and maintain a library of more than 150 co-op publications, ranging from basic co-op primers to indepth reports on technical topics and ones that focus on co-op economic theory. Publications are available in hard copy and online at: www.rd.usda.gov/publications/publications-cooperatives.

For More Information

Information on all USDA Rural Development programs is available online or from the office serving your area (Tennessee).

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TNrdStateDirector@tn.usda.gov

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